

# Process for the Disposition of Real Estate

## Real Property Roles

1. All real property owned by KC is assigned to a custodial department (CD).
2. Real Estate Services (RES) handles all real property transactions except certain specialized acquisitions.

## Process for Surplus Property Determination

1. Determined Surplus by CD or RES to current CD needs.
2. Proposal and plan for disposition made by CD or RES.
3. RES determines if needed for “essential” government services.
4. Essential properties transferred to new CD.
5. Appraisal of fair market value (FMV) completed.
6. RES determines if suitable for affordable housing.
7. Suitable property offered through request for proposals (RFP); or
8. If to be traded or a direct sale, ordinance is proposed to waive RFP.
9. If unsuited for affordable housing RES determines if needed by other county agency.
10. If needed transferred to new CD.
11. Otherwise RES recommends property be declared surplus.
12. Executive proposes Ordinance to approve disposition including method.
13. Council approval is required.

## Process to Dispose

- All property financial transactions are determined by law – State Law; County Charter or Code; and grant or bond restrictions.
- RES recommends any uses other than sale before Executive decides to sell.
- Disposal of financial investment properties are to occur only if greater return is provided through sale than retention.
- Recent Property Expert Review Task Force (PERT) recommendations pertaining to property management are taken into account.
- Sales may be by trade, negotiated direct sale, RFP, or direct marketing.
- Other disposition uses and factors to be evaluated include:
- Exchanges
- Leases
- Other government agency uses
- Economic Development
- Revenue Generation
- Use by non-profit organizations for public purposes.
- Donation to non-profit organizations providing services to the poor and infirm if allowed by law.

## Property Expert Review Task Force (PERT) Recommendations

The County recently had its real estate functions evaluated by outside experts. The PERT recommendations are generally aimed at making the county more business-like and proactive in managing its property. Recommendations related to property disposition generally include:

- Improve overall property portfolio management.
- Better identify surplus property
- Improve definitions of highest and best use, financial objectives, and public benefit to remove inflexibility in property disposition.
- Remove inflexibility from the code in the surplus property process.
- Streamline the surplus process that takes too long.
- Make the process for surplus more proactive.
- Improve inter-branch and inter-department coordination.